



THINK LABOR

To keep up with everything skilling and employment

Improving India's Female Labor Force Participation Rate

Originally published: KPMG

Ensuring equal participation of women in the workforce is imperative for realizing gender equality. This report analyses India's declining female labor force participation, the challenges the government, the private sector and the community must overcome to enhance women's participation, and recommendations for gender-focused interventions to bridge the widening gender gap, achieve economic inclusion, and honor India's commitment to the Sustainable Development Goals, particularly SDGs 5, 8 and 10.

Key highlights:

- Gender equality in the workplace has been shown to increase profitability, enhance organizational performance and productivity, and promote business diversification due to the unique contributions of women. For example, women-led MSMEs have a profit margin of 31%, which is much higher than the 19% profit margin of men-led businesses.
- The global 23% gender gap in the workplace is not expected to close till 2086 - fully bridging this gap in India could add 68 million women to the workforce and a 60% higher GDP than that projected for 2025.
- Globally, 63% of women are part of the workforce compared to 94% of men (for the age group 25 to 54).
- The COVID-19 pandemic worsened this trend - 37% of women lost their jobs in 2020 compared to 28% of men. It also deepened gender roles by putting the burden of unpaid care work on women.
- Though 17% of the world's women reside in India, its Female Labor Force Participation Rate (FLFPR) as a percentage of the total labor force has declined from 31.79% in 2005 to 20.79% in 2019, with the decline concentrated in rural areas and a stagnation in urban areas due to differences in access to the workforce.
- India's rank in the World Economic Forum's Gender Gap reports fell from 112 out of 156 in 2020 to 140 in 2021 due to the declining share of women in professional and technical roles, senior managerial positions, and political representatives.
- Key factors that affect the FLFPR in India:
 - **Literacy Rate and Formal Employment Generation:** 'Crowding out' of females in the workforce as the growth of formal sector jobs has not kept pace with the increasing supply of educated women.
 - **Domestic working hours:** Indian women spend 5 hours a day - 4 times more than men - doing unpaid domestic work, which leaves them with less time to pursue paid employment opportunities.
 - **Income level:** Rising income levels have led to more women withdrawing from the workforce due to the family's improved socio-economic status.
 - **Gender norms:** Traditional gender roles of women being 'homemakers' and the perception of higher prestige for families bar them from entering the workforce.
 - **Access to finance:** Women entrepreneurs' access to capital, which depends on financial awareness, education, and their access to banking services, is integral for promotion of women-led businesses.
 - **Mobility, safety, and security** also determine women's willingness to join the workforce.
- Key challenges that remain to be addressed by three main stakeholders:
 - **Government:** Skilling women in non-traditional roles, incentivising vocational education and training, developing social infrastructure for women (such as creches and hostels), gender-responsive work policies, and increasing women's access to Information and Communication Technology (ICT) services.

- **Private sector:** Improving female representation in senior management roles and bridging the gender skill gap in technical roles (currently only 26% of Indian women are employed in technical roles).
 - **Community:** Easing the 'Double Burden of Work' on women, improving access to co-ed training facilities, and removing mobility restrictions.
- Key government initiatives to promote gender inclusion in the Indian economy:
 - Rashtriya Mahila Kosh (RMK) to provide access to finance
 - Working women's hostel scheme to provide adequate social infrastructure for women
 - Mahila E-Haat (2016) to provide web-based marketing platforms for women entrepreneurs
 - Sanchar Shakti Pilot Scheme to facilitate access to ICT-enabled services for women's SHGs
 - Skill development programmes across sectors by the Ministry of Skill Development and Entrepreneurship under the National Apprenticeship Promotion Scheme, with a focus on incentivizing female students to undertake skilling
 - Pradhan Mantri Kaushal Vikas Yojna to provide women skilling in non-traditional livelihoods such as hardware and electronics
 - In addition, there are programmes that focus on areas such as education, nutrition, and financial empowerment of women to increase their economic participation.
 - The government also has several regulatory reforms in place to make workplaces more safe and inclusive. These include the Sexual Harassment of Women at Workplace Act 2013 and the mandate for all listed public companies to have at least one woman director on the board.
- Government initiatives to increase access to formal education:
 - National level steps such as Beti Bachao Beti Padhao and the Right to Education Act 2009
 - Building of Kasturba Gandhi Balika Vidyalayas (KGBVs) for educationally backward blocks, along with gender sensitization training, curriculum reforms, and building facilities for female teachers
 - Free primary to tertiary education for girls in government schools by states like Punjab and Bihar
- Capacity building and skilling initiatives by private sector organizations:
 - Upskilling programmes and leadership training by companies
 - Microcredit and skill training to generate alternate employment opportunities
 - Networking forums like 'Vaahini' for professional women to connect with each other
 - Flexible re-entry programmes for women returning from career breaks
- Other good practices include making workplaces more conducive for women through the provision of paid parental leave, flexible work options, childcare facilities, support to domestic abuse victims, and gender sensitivity offices.
- Working in the COVID-19 crisis:
 - Women helplines and emergency response systems set up to mitigate mental health challenges
 - Women health workers were at the front-line in rural areas, aided by Anganwadi workers.
 - Essential women-centric products provided during lockdowns through Jan Aushadi Kendras
- The report makes the following short-term recommendations for inclusion of women in the workforce:
 - **Behaviour change:** Launch national Information, Education and Communication (IEC) to motivate more women to enter the labor market, remove barriers to their employment, spread gender sensitivity awareness, and educate them on important government and private initiatives.
 - Collect gender disaggregated data to inform planning of initiatives and schemes for gender-focused outputs by all stakeholders.
 - **Skill-linkages:** Undertake a pan-India survey to analyze skill shortages and initiate location-specific and industry-specific training as per the shortages. Further, create a repository of all trainees' profiles and collaborate with the private sector for their placements.

- Provide adequate and affordable creches and Working Women's Hostels (WWHs) to ensure enhanced flexibility and freedom for working women in both informal and formal sectors in urban and rural areas.

- Following are the **long-term recommendations for the economic inclusion of women**:
 - Promote political empowerment of women through reservation of seats in legislatures at all levels.
 - Make workspaces more inclusive through wage transparency, gender-neutral job evaluations, strong women-centric workplace infrastructure and flexible work opportunities.
 - Achieve gender equality in school enrolment and strengthen land rights that support women's agency through data integration, rigorous monitoring and evaluation, and development of indices like the Gender Equality Index.

Read more: [Improving India's Female Labor Force Participation Rate](#)

Author: Navya Sachdeva, Intern